

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

Chambers of
BENSON EVERETT LEGG
Chief Judge

101 West Lombard Street
Baltimore, Maryland 21201
(410) 962-0723

November 14, 2005

MEMORANDUM TO COUNSEL RE: Business Lenders, LLC v. Damon Z. Bellamy-Bey
Civil No. L-02-2092

Dear Counsel:

This dispute arises out of the default on a \$300,000 Small Business Administration loan that Defendants Bellamy-Bey and his company, Z'Lacod, Inc. obtained from Business Lenders, LLC ("Business Lenders"). The purpose of the loan was to enable Bellamy-Bey to operate the Peachtree II carwash located at 1817 Laurens Street in Baltimore City.

On July 3, 2002, Magistrate Judge Susan Gauvy directed the Clerk to enter judgment by confession in favor of Business Lenders. On July 18, 2002, the trustees for Business Lenders, LLC, Jeremy S. Freidberg and Andrew L. Cole ("Trustees") filed an Order to Docket Foreclosure on Property. On August 6, 2002, the Trustees advertised the property for sale. The sale did not take place until October 31, 2002, when Business Lenders "bought in" the property. Sometime between August 6th and October 31st, the Internal Revenue Service filed a notice of federal tax lien against the property. On January 9, 2004, this Court ratified the sale. Business Lenders did not learn about the tax lien until after the sale has been ratified, and it is now refusing to close. On September 14, 2005, the Trustees filed a Motion to Resell Property. The motion is uncontested.

A hearing on the Motion to Resell Property will be held on November 22, 2005 at 2:30 p.m. Counsel shall be prepared to:

- (i) explain the transaction;
- (ii) explain the effect of the resale on the tax lien; and
- (iii) state whether the Internal Revenue Service has been notified of the Motion to Resell Property.

Despite the informal nature of this memorandum, it shall constitute an Order of the Court and the Clerk is directed to docket it accordingly.

Very truly yours,

/s/

Benson Everett Legg